UNIVERSITY OF SASKATCHEWAN

CROWN FOUNDATION

FINANCIAL STATEMENTS

For the Year Ended April 30, 2000

Provincial Auditor Saskatchewan

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AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the University of Saskatchewan Crown Foundation as at April 30, 2000 and the statements of operations and changes in net assets and of cash flows for the year ended April 30, 2000. The University of Saskatchewan Crown Foundation's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the University of Saskatchewan Crown Foundation as at April 30, 2000 and the results of its operations and its cash flows for the year ended April 30, 2000 in accordance with generally accepted accounting principles.

Regina, Saskatchewan
August 29, 2000

Fred Wendel, CMA, CA
Acting Provincial Auditor

Statement 1

UNIVERSITY OF SASKATCHEWAN CROWN FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT APRIL 30

	2000	1999
Assets		
Cash	$ 286,693	$ 369,159
	$ 286,693	$ 369,159
Net assets (Statement 2)	$ 286,693	$ 369,159

On behalf of the Board of Trustees

_____
Chairperson of the Board

_____
Secretary of the Board

(See accompanying notes to the financial statements)

THE UNIVERSITY OF SASKATCHEWAN CROWN FOUNDATION

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED APRIL 30

	2000	1999
REVENUES		
Donations	$ 683,048	$ 138,891
Interest	33,190	16,641
	716,238	155,532
EXPENSES		
Transfer to University of Saskatchewan	784,965	100,000
Insurance policy premiums (Note 3)	13,739	20,735
	798,704	120,735
Excess of revenues over expenses	(82,466)	34,797
Release of Works of Art to The University of Saskatchewan	-	(136,250)
Net assets, beginning of year	369,159	470,612
Net assets, end of year - to Statement 1	$ 286,693	$ 369,159

(See accompanying notes to the financial statements)

Statement 3

UNIVERSITY OF SASKATCHEWAN CROWN FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED APRIL 30

	2000	1999
Cash provided by (used in):		
Operating activity:		
Excess of revenue over expenditure	$ (82,466)	$ 34,797
Net increase (decrease) in cash position during the year	(82,466)	34,797
Cash, beginning of year	369,159	334,362
Cash, end of year	$ 286,693	$ 369,159

(See accompanying notes to the financial statements)

THE UNIVERSITY OF SASKATCHEWAN CROWN FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS

April 30, 2000

1. Authority and Purpose

The University of Saskatchewan Crown Foundation (Foundation) is incorporated under *The Crown Foundation Act* pursuant to Order in Council 842/94 effective December 15, 1994. As an agent of the Crown in the right of the province, donations to the Foundation qualify under the *Income Tax Act* for a tax credit in the case of individuals and for a deduction in the case of corporations.

The purpose of the Foundation is to receive gifts of real and personal property, including money, and to provide grants and transfers of real and personal property to the University of Saskatchewan (University) for the purpose of supporting and promoting its education or research activities. The Foundation began operations on December 20, 1995.

2. Significant Accounting Policies

These financial statements are prepared in accordance with generally accepted accounting principles. The following accounting policies are considered significant:

a) Accrual Basis

The financial statements are prepared on the accrual basis of accounting.

b) Donations and Pledges

Donations are recorded as revenue in the fiscal period in which they are received. Gifts in Kind are recorded at fair market value on the date of their donation.

Pledges made by donors for donations to be received in future years are not recorded in the financial statements.

3. Life Insurance Premiums

Life insurance premiums may be paid by individuals directly or through a donation to the Foundation for life insurance policies naming the Foundation as the beneficiary. The premiums are included in both revenue and expenses.

4. Related Party Transactions

These financial statements include transactions with related parties. The Foundation is related to all Saskatchewan Crown agencies such as departments, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the Crown Foundation is related to non-Crown enterprises that the Government jointly controls or significantly influences.

The University of Saskatchewan is related to the Foundation. The Foundation has negotiated a service agreement with the University to provide certain administrative and management services to the Foundation without charge, therefore, no provision for such costs is reflected in these financial statements.

The Foundation has arranged with the University to invest the Foundation's cash as part of the University's short-term investment pool. Interest income is allocated by the University to the Foundation based on its level of participation in the investment pool.

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and the notes thereto.

University of Saskatchewan Crown Foundation

Report of Activity

May 1, 1999 – April 30, 2000

The Foundation's Board of Trustees Met December 7, 1999
Present: Tom Gauley (Chair), Colleen Schneider, Tony Whitworth, Matt Webster, Doug Clark **Regrets:** Don Gass, Sylvia Fedoruk

Financial Statements

At its December 7, 1999 meeting, the Board of Trustees approved acceptance of the Foundation's financial statements for the periods ending April 30,1998 and April 30, 1999. [The Board was asked to accept the final 1997/98 financial statements as well as the 1998/99 statements because the 1997/98 financial statements had not been released from the provincial auditors at the time of the previous (December 7, 1998) Board meeting].

Gifts Received during the Reporting Period:

1) $600,000 from the Estate of Dr. Gerhard Herzberg for the Herzberg Fund in Chemistry and Physics
2) $30,000 for research from an anonymous donor.
3) $44, 308.50 from Mr. Bill Elliott, in the form of 813 shares of the Bank of Montreal, to support the existing William Elliott Scholarship in Law.
4) $10,000 from Mr. Bud McCaig, his final instalment on a $50,000 pledge to the First & Best Campaign.
5) Life Insurance premium payments on policies in which the Foundation is the beneficiary were received and receipted from M. Erickson $9720.00, J. Shumiatcher $4018.92

Gifts Released to the University during the Reporting Period:

At its December 7, 1999 meeting the Board of Trustees approved the release of:

1) Two $15,000 gifts from an anonymous donor to support research as determined by the President.
2) All monies previously identified as being held for the Estey Centre for Law and Economics in International Trade pending its incorporation, which is now complete.
3) $103,156.46 in proceeds from the life insurance policy of Dr. Anne Robertson, subject to approval of terms of reference by the University, for research into diseases of the brain.
4) $44,308.50 received from Mr. Bill Elliott in the form of 813 shares of the Bank of Montreal to support the existing William Elliott Scholarship in Law.
5) $400,000 received from the Estate of Dr. Gerhard Herzberg for the Herzberg Fund in Chemistry and Physics, subject to approval of terms of reference by the University.

Terms of Trustees

The Secretary had on-going discussions with Maureen Gammell regarding the Foundation's request to re-appoint the present members of the Board of Trustees (S. Fedoruk, D. Gass, T. Gauley, C. Schneider, T. Whitworth) and formally approve the Foundation's Bylaws. To date no response has been received.

On behalf of the Board of Trustees:

Date: Oct 19/00

Doug Clark
Secretary
University of Saskatchewan Crown Foundation